

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB742

Hearing Date: Thursday January 19, 2012
Committee On: Natural Resources
Introducer: Schilz
One Liner: Change application provisions relating to development of renewable energy resources

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Carlson, Christensen, Dubas, Haar, Langemeier, McCoy, Schilz, Smith
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Ken Schilz
John McClure
David Levy

Representing:

Introducer
Nebraska Power Association
Edison Mission Energy; Midwest Wind Energy

Opponents:

Neutral:

Tim Texel
Ken Winston

Representing:

Nebraska Power Review Board
Nebraska Sierra Club

Summary of purpose and/or changes:

LB 742, as introduced, would allow private developers building projects for public power entities in Nebraska to use the current generation exception provided for a qualifying project under the Community-Based Energy Development Act (C-BED). Renewable energy projects in Nebraska that are not federally approved are required to get Nebraska Power Review Board (PRB) approval. Applications made to the PRB must meet the least cost/public necessity standard to get approval. In 2009 the Legislature passed a law to allow a special Power Review Board approval for renewable energy projects as long as the public power entity purchasing the power held a public hearing, the project did not exceed ten percent of the public power entity's total energy sales and the project is sold to a public power entity for 20 years. This bill would allow other privately developed renewable energy projects to take advantage of the application process made available in 2009.

LB 741 as introduced would expand what the Power Review Board can consider when the Board determines if a transmission line should be approved. In 2009, several Nebraska utilities became members of a Regional Transmission Organization (RTO) the Southwest Power Pool (SPP). RTOs are regional networks of interconnected transmission facilities that move power across the states. The SPP administers transmission services and planning in its service area which includes at least a portion of nine states. The transmission planning done by the SPP is to meet the growing needs of its members as a network in a cost-effective, reliable manner.

Under current law, the Nebraska Power Review Board (PRB) must approve or deny new transmission lines, after

considering the proposed transmission's public convenience and necessity only for the state of Nebraska. In order for Nebraska to participate in new projects and as the transmission network grows, the PRB needs authority to consider regional benefits and the RTO planning process as part of the PRB's review of such applications.

Explanation of amendments:

AM1934 would put the content of LB 741 into LB 742. Clarifying changes were made to portions of each original bill: 1) the LB 741 portion was amended by adding that, in addition to transmission lines, related facilities could also be considered by the PRB when deciding whether to approve a transmission line application; and 2) the LB 742 portion was amended by clarifying that it is the production of the purchasing utility's renewable projects, not the developer's, that may not exceed ten percent of its total energy sales and it is the public power entity's board that must hold the one required public hearing.

Section-by-section description:

Section 1 amends 70-1014, relating to special generation application approvals by the Power Review Board (PRB), by adding that for transmission line applications that a regional transmission organization (RTO) has planned, approved and issued a notice to a utility to construct, the PRB is to consider information from the RTO regarding its planning process and the transmission line's (or related facility's) benefits to the region when making its decision to approve or deny the application.

Section 2 amends 70-1014.01, relating to special generation applications to the Power Review Board, by adding that a privately developed project intended to develop renewable energy sources for sale to a Nebraska utility may apply to the board if the purchasing utility conducts a public hearing and power is sold exclusively to the utility for a term of 20 years. Adds the condition that total production from all of the purchasing utility's renewable projects, other than sales to other electric generation entities, must not exceed ten percent of its total energy sales. Authorizes the PRB to approve the application if all of the conditions are met.

Section 3 repeals the original sections.

Chris Langemeier, Chairperson